Selling of GAIL's Shares

1649. SHRI NILOTPAL BASU:
SHRI DIPANKAR MUKHERJEE:
Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government's attention has been drawn to the news item "Centre sells GAIL cheap to foreigners" which appeared in Asian Age dated the 10th November, 1999; and

(b) if so, the Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) Yes, Sir.

(b) In 1997, the Book Building process was followed to ascertain the share price of GAIL in GDR market. There were no quotes for the price of Rs. 115/- per share. However, price of Rs. 116/- per share was quoted by the bidders for demand of about 4.8 crore shares only. As GDR issue was launched with a mandate to sell upto 20 crore share at a minimum price of Rs. 125/- per share, the issue was withdrawn, inter alia, on account of extremely low demand even at the price below the minimum approved price.

As the price of shares often fluctuate, there can be no linkage between price quoted by the bidders, two years ago, in 1997 and the market driven price ascertained in 1999.

About 13.5 crore shares of face value of Rs. 10 per share of GAIL held by Government have now been sold in the GDR market, at a market driven price of Rs. 70 per share, which emerged from "Book Building" exercise.

Enron India GDR holding Limited and British Gas Asia Pacific Holdings PTE Ltd., have purchased GDRs. GDR holders are not entitled to a Board seat/management.

Acquisition of Seismic Data in Bengal Basin

1650. SHRI NILOTPAL BASU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state: